Abu Dhabi Islamic Bank Egypt Announces H1 2013 Financial Results

The Bank records Net Income of EGP 34 Million in H1 2013 registering EGP 221 Million more than H1 2012

97% Increase in Q2 2013 Net Income Compared to Q1

Cairo – XX, 2013 – Abu Dhabi Islamic Bank (ADIB) Egypt announced its financial results for H1 2013, registering a net income of EGP 34 million with an increase of EGP 221 million compared to H1 2012. The bank's Q2 net income reached EGP 22.5 million, doubling the net income of Q1. These results were driven by an increase of EGP 13.1 million in fees and commissions, equivalent to 59%, resulting thanks to higher trade and corporate finance fees as well as growth in net revenue resulting from liquidity investments.

Nevine Loutfy, Managing Director and CEO of ADIB Egypt, stated, "***The bank's positive Q2 financial results are reflective of its continuing significant developments and its success in carrying out its strategic plan as well as the effort exerted by our staff, despite the challenges facing the economy and the turbulent political situation in Egypt.***"

H1 2013 Financial Highlights:

Income Statement H1 2013 vs. H1 2012

1. H1 net income registered EGP 34 million, an improvement of EGP 221.4 million compared to H1 2012
2. H1 net profit income reached EGP 187.6 million, an increase of 50.8 million or 37.1% compared to H1 2012
3. H1 customer net revenue reached EGP 245.2 million, an increase of EGP 79.5 million or 48% compared to H1 2012
4. H1 operating revenue grew by 48%, reaching EGP 245.2 million compared to H1 2012
5. H1 provisions were a recovery of EGP 41.3 million compared to a charge of EGP 164.9 million in H1 2012. After the acquisition, H1 2013 provisions were EGP 2.75 million compared to EGP 15.7 million in H1 2012

Balance Sheet 30th of June 2013 vs. 30th of June 2012

1. Total assets grew by EGP 2.2 billion or 18% over the last 12 months to reach EGP 14.6 billion
2. Headline financings grew over the past 12 months by EGP 763 million or 15.4% to reach EGP 5.7 billion
3. New bank financings grew over the past 12 months by EGP 1.7 billion or 48% to reach EGP 5.4 billion
4. Core deposits grew over the last 12 months by EGP 1.5 billion or 14.2% to reach EGP 12.2 billion
5. Capital adequacy under BASEL II was 11.14% at 30th June, 2013

The Retail asset portfolio grew by EGP 486.6 million with a growth rate of 30.9% during the past 12 months to reach EGP 2.1 billion. Additionally, the deposit portfolio grew by EGP 1.2 billion or 13.5% over the last 12 months to reach EGP 10 billion.

The overall growth in retail banking is significantly ahead of the market growth and continues to be achieved as a result of our investment in products such as the roll out of the cash back card, Egypt's first Shari'a compliant credit card and one that brings substantial benefits to the customer, investment in our infrastructure where H1 2013 has witnessed the renovation and relocation of four branches, bringing the total of renovated branches to 30. This is in addition to the rebranding of our branches to reflect ADIB's branding. Lastly, our pursuit of customer service excellence, which was reflected in our branch mystery shopping survey results with an average customer satisfaction rate of 87% during Q2.

The wholesale financing portfolio grew by EGP 1.2 billion or 54% during the past 12 months until June 30th, 2013 to reach EGP 3.3 billion. The growth came predominately from our top tier local corporate and public sectors. The corporate financing team succeeded in a arranging syndicated financing for two major companies operating in the Egyptian market as well as commercial activity growth. However, encouraging was a growth of EGP 72 million in SME following its launch, which is a vital sector for economic growth.

The wholesale deposit portfolio increased by EGP 326 million or 17% over the last 12 months, with Q2 2013 witnessing a reversal of the declines in the previous two quarters.

Regarding the coming period, Nevine Loutfy added, ***"Despite the results we achieved during the first half of the year, our expectations for the rest of the year are still conservative as a result of the economy's slow recovery rate and its impact on customers. On the other hand, we will continue to move forward with our development plans and achieve our target growth in all business fronts as we are committed to providing excellent services to our customers."***

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